

**MINUTES OF THE
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE
THURSDAY, JANUARY 27, 2005, 2:00 P.M.
Room W125, West Office Building, State Capitol Complex**

Members Present: Sen. Howard Stephenson, Co-Chair
Rep. Gordon E. Snow, Co-Chair
Sen. Beverly Evans
Sen. Karen Hale
Rep. J. Stuart Adams
Rep. Ron Bigelow
Rep. Duane E. Bourdeaux
Rep. LaVar Christensen
Rep. Tim M. Cosgrove
Rep. John Dougall
Rep. James A. Ferrin
Rep. Julie Fisher
Rep. Karen W. Morgan
Rep. Stephen H. Urquhart

Members Excused: Pres. John Valentine

Staff Present: R. Michael Kjar, Legislative Fiscal Analyst
Ben Leishman, Legislative Fiscal Analyst
Cherie Schmidt, Secretary

Public Speakers Present: Jan Ferre, Legislative Coalition for People with Disabilities
Karyn Storey, Parent, PTA
Karl Wilson, State Director, USOE
Fraser Nelson, Disability Law Center
Patrick Ogden, Associate Superintendent, USOE
Sen. Mark Madsen
Matt Throckmorton, Consultant, Charter One Development
Brian Allen, Chair, Utah State Charter School Board
John Broberg, USOE Director, Charter Schools

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Stephenson called the meeting to order at 2:19 p.m.

Sen. Stephenson gave a brief description of the documents that were given to the Committee members. These documents contain information that was requested in Wednesday's meeting (January 26, 2005) from the State Office.

1. Minimum School Program - Budget - Mike Kjar, Legislative Fiscal Analyst, discussed the Budget Brief Minimum School Program under Tab 5 of the *Budget Analysis*. The Minimum School Program is designed to provide funding in an equitable fashion to all 40 school districts throughout the state. In order for a school district to participate in this program, they must levy a tax that is set by the Committee and approved by the Legislature. The basis for the distribution of the basic program is the Weighted Pupil Unit (WPU). The Analyst recommends a base budget of \$2,127,959,437. This includes funding of \$1,678,119,511 from the Uniform School Fund, \$9,920,000 from the Uniform School Fund Restricted - Interest and Dividends Account, and \$446,802,002 from local revenues. The basic levy is recommended to be set at a tax rate of 0.001702 which is 0.000052 less than the current year-appropriated rate. The costs are a combination of program growth and statutory required rate and inflationary factors. The basic levy rate allows for new assessed valuation growth which provides \$8,281,435 in additional revenue for FY 2006. After the cost offsets and new voted and board leeway increases, the remaining local revenue left for committee allocation for other expenditures is \$6,882,076. The Analyst recommends funding of a number of items that the Committee has not yet been allocated funding for from the Executive Appropriations Committee. These are considered high priority items and do not address a number of other funding concerns or requests from the State Board of Education which the Committee will have opportunity to review. These items are listed on page ii of this budget brief with dollar amounts included. Mr. Kjar also discussed Student Growth on page ii of the Budget Brief. Compensation has not been included in the FY 2006 recommended budget. A table is provided in the brief that summarizes the compensation costs of a 1 percent increase. Also in adopting the budget, it is recommended that committee action refer to weighted pupil units where those are presented rather than dollar amounts. It is recommended that the Committee adopt a position of amounts for voted and board leeway and social security and retirement as may be adjusted by further Legislative action. A summary of recommended amounts is represented on page iv of the brief.

A discussion among Committee members followed concerning projected student growth and associated costs. Sen Stephenson discussed the sources of income for public education, and how this income is distributed throughout the State of Utah.

Jan Ferre, Legislative Coalition for People with Disabilities, introduced Karyn Storey. She spoke in support of special education for children with disabilities. She encouraged the Committee to allocate funds for children whose needs are greater because of the unusual circumstances that are related to their disability.

Karl Wilson with the State Office of Education in Special Education addressed the Committee concerning Building Block Request FY 2006 in Special Education High Cost Student Funding. The Utah State Office of Education is requesting a building block to

address the shortfall in the impact aid for high-cost low incidence special education students. The FY 2006 amount is \$1,143,789. This request is supported by a handout and a fact sheet.

Fraser Nelson from the Disability Law Center encouraged the Committee members to refer to a report given to senators and representatives which deals with parents in rural areas who have high need children who are struggling because the school districts are not able to provide the assistance needed for these children.

Patrick Ogden from the State Office of Education addressed the Committee concerning a document entitled USBE Unfunded Requests. This document lists the items not included in the Analyst's recommendations. The total USBE Request is for \$163,631,000 which represents an additional funding request of \$27,542,400, a 5 percent increase in the value of the WPU of \$71,935,600, and the Analyst's recommendations of \$64,153,000.

2. Minimum School Programs - Charter Schools - Brian Allen, Chair, Utah State Charter School Board, gave an overview of the charter schools in the State of Utah. A request was made for \$66,000 one-time money until July and then \$198,000 ongoing funding for two new staff positions.

John Broberg, USOE Director of Charter Schools, addressed the Committee on administrative funding for the Charter Schools. Patti Murphy from the State Office Education also spoke on funding. Mr. Broberg stated that the Charter Schools should be evaluated as individual districts with a request for 513 WPU with 12-27 per school.

Matt Throckmorton, Consultant for Charter One Development, addressed the Committee concerning a startup grant for charter schools. A request was made for the State of Utah to appropriate \$2.8 million to provide funding in preparation for charter school development and growth.

Sen. Madsen who is involved in the American Achievement Academy spoke in favor of the funding request for charter schools.

Discussion continued among the Committee members in reference to the stability of charter schools and their ability to sustain themselves over the long run.

Ben Leishman, Legislative Fiscal Analyst, discussed the Issue Brief Charter School Local Replacement Funding. This program was established within the Minimum School Programs to provide revenue to charter schools to assist with facility needs. Mr. Leishman reviewed the statutory formula contained in the brief. Analysts' recommendations include providing a total of \$8,009,500 in Uniform School Fund

revenues to provide \$1,051 for each student enrolled in a charter school. It is also recommended that the Legislature amend the charter school statutory provisions to make estimating charter school enrollments more solid. The statute could be amended to include that a charter school seeking to open in a given school year receive approval of that charter and estimated first year enrollment by the appropriate chartering entity (either the State Charter Board or Local School Board) by November 30 of the year prior to opening.

3. Other Business - Sen. Stephenson discussed the priority list and stated that action could be taken on this list in next Wednesday's meeting.

Adjourn -

MOTION: Sen. Adams moved to adjourn.

Committee Co-Chair Stephenson adjourned the meeting at 4:40 p.m.

Minutes were reported by Cherie Schmidt, Secretary

Sen. Howard Stephenson, Committee Co-Chair

Rep. Gordon Snow, Committee Co-Chair